

advised to implement the scheme. The banks in Rajasthan have already exceeded the targets set under the Programme during the last two years.

There is a regular flow of communication from various levels to the banks for disposing off applications under the scheme.

Income Tax Sops for Software Technology Parks

2941. SHRIMATI SHOBHANA BHARTIA: Will the Minister of FINANCE be pleased to state:

(a) whether a high level Committee constituted by the PM has recommended that Income Tax Sops for Software Technology Parks be extended beyond March 31, 2009 and the deadline by another 10 years;

(b) if so, what are the other main recommendaitons made by the Committee;

(c) whether Government have considered all of them; and

(d) what are the steps being taken to implement them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Principal Secretary to PM had chaired a meeting to assess the impact of the SEZ Scheme and the Software Technology Park Scheme on the software industry on 24.1.2006. At this meeting, it was decided that the Department of Information Technology would commission a study to assess the impact of the SEZ Act and the phasing out of concessions under the Software Technology Park Scheme on the software industry. The Study Report was to be considered by a Committee chaired by the Member Secretary, Planning Commission.

(b) The main recommendations made by the Chairman of the Committee are as under:-

(i) A combination of minimum built up area and generation of minimum employment should form the basis for approval of IT SEZs.

(ii) The following additional parameters relating to quality of infrastructure may also form the basis for approval:-

- 24x7x365-uninterrupted power supply at stable frequency.
- Reliable connectivity for uninterrupted & secure data transmission
- Central air-conditioning
- Premium quality construction.
- A ready to use, furnished plug and pay facility for end users.

- (iii) The existing area requirement of plotted area to be dispensed with.
 - (iv) fiscal benefits to existing STPI units available under section 10A and 10B of the Income-tax Act may be extended beyond financial year 2008-09.
- (c) and (d) The recommendation of the Committee listed at (ii) above has been accepted. However, it has not been found feasible to accept those listed at (i) and (iii) above.

So far as the issue listed at (iv) above is concerned, the Prime Minister's Economic Advisory Council headed by Dr. C. Rangarajan examined the issue of extending the tax benefit under section 10B of the Income-tax act beyond assessment year 2009-10 and recommended against withdrawal of the sunset clause under section 10B.

The tax benefit under section 10A of the Income-tax Act for units set up in Software Technology Parks is placed on the same footing as the benefit under section 10B. Accordingly, the Prime Minister's Economic Advisory Council's recommendation on tax benefit under section 10B is equally applicable to the benefit under section 10A. Therefore, the recommendation for extension of tax benefit under Section 10A of the Income Tax Act made by the Chairman of the Committee is not acceptable.

Hike in import duty on palm oil

2942. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

- (a) whether the hike in import duty on palm oil to 100 per cent, effective from 1st November, 2006 was notified six weeks ahead by Government permitting the importers to import and stock large shipments and make profit after 1st November, 2006;
- (b) whether this is the first time Government have informed the industry in advance about the date of hike in tax; and
- (c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The concessional rates of import